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C O N F I D E N T I A L SECTION 01 OF 03 SANAA 003018

SIPDIS

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TAGS: PREL PGOV KDEM KMPI KMCA ECON PHUM YM DOMESTIC POLITICS DEMOCRATIC REFORM

SUBJECT: DEMOCRATIC REFORM STRATEGY FOR YEMEN -- QUARTERLY

REPORT

REF: A. SANAA 1300

1B. SECSTATE 152818 1C. SANAA 2961

¶D. SANAA 2920

Classified By: Ambassador Thomas C. Krajeski for reasons 1.4 (b) and (d

 $\P1.$ (C) Summary: Post implemented the initial phase of Yemen's Democratic Reform Strategy with mixed results. (Ref A) This quarterly report demonstrates progress for women in political participation, and in the role of Parliament providing a check on the executive. (Ref B) The ROYG's Threshold Proposal for the Millennium Challenge Corporation (MCC) promises to improve the effectiveness of Yemen's judiciary and to combat corruption. The ROYG also committed to significant reforms in finance management. In a recent announcement, President Saleh called for direct election of local officials and increased funding and responsibilities for local councils. Despite the efforts of post and other donors, however, Yemen experienced considerable backsliding in press freedoms and obstructed progress in elections reform. End summary.

Free and Fair Elections

- 12. (C) The role of women candidates in the upcoming 2006 elections has been the subject of high profile discussion in recent months. Women from across the political spectrum, receiving support from NDI's MEPI-funded program for women and political parties, issued a demand that all political parties fill a quota of 20 percent female representation in government. The proposal initially met with a cool response, but attitudes appear to be changing. President Saleh and the ruling GPC party have approved the concept in theory, and spokespeople for the opposition Islah party recently raised the ante, suggesting that 30 percent of candidates from all parties should be women, and that parties should run only women against one another in specific districts to guarantee female representation. There are even suggestions that the opposition should run a women candidate for President.
- 13. (C) The Sanaa MEPI Committee views continuation of NDI's project to be an essential component of the Democratic Reform Strategy, and supports continuation through the 2006 elections. At this time, NDI has received unspecified bridge funds through January 2006. NDI will also submit a follow-on proposal for additional funding either from MEPI or USAID. This will be critical for maintaining pressure on the political parties to follow through on their pledges to increase the roll of women. USAID also dedicated USD 42,000 for two small grants to support women in elections.
- 14. (C) There has been little progress in reforming the elections law. Despite the persistent efforts of IFES, through the MEPI-funded Election Systems Assistance program, the ROYG has given little indication of when it will submit necessary legislation to Parliament. The Supreme Council for Elections and Referenda (SCER) has also delayed redistricting plans for local councils, which is required by the Yemeni constitution. Post met with SCER officials on several occasions to urge action, with little effect. The Mission Development Working Group will address this issue in the coming quarter, as further delay could undermine public confidence in the elections process.
- 15. (C) Post will evaluate proposals in the next quarter to support elections activities, including election monitoring and candidate training. Post is working closely with the multi-donor working group, which features a robust and fully funded UNDP elections program. Additional activities will seek to foster healthy and fair competition, as well as responsible campaigning by participating parties.

Free and Independent Press

16. (C) In July, post organized a PD-funded mission on press freedoms. Two legal experts worked with ROYG officials and over 40 journalists for one week, culminating in a well-attended workshop, to provide recommendations on Yemen's proposed press law. Post coordinated on this issue and others with Danish and British-funded programs to support press freedom and improve the quality of reporting.

17. (C) Ambassador met with members of the Yemeni Journalists Syndicate to discuss an increase in harassment and attacks on journalists who publish reports critical of the ROYG. Following the meeting, Ambassador gave a public interview to al-Ayyam newspaper, in which he expressed concern that Yemen's democratic development may have "stalled", and cited deterioration in freedom of speech as one example. (Ref C) The comments provoked a heated debate in the press. The government-controlled media accused the United States of interfering in Yemen's sovereign affairs, but much of the independent and opposition media praised the comments for raising important issues. In this quarter, post will determine next steps on press reform, exploring funding options for more sustained assistance programs to augment existing donor efforts.

Reducing Corruption

- 18. (C) In September, Yemen submitted its MCC Threshold proposal to Washington for approval, with a primary focus on reforming the court system. If enacted, the Threshold plan would make the judiciary independent of the executive branch, strengthening the integrity of judges and their decisions. The plan also includes the cross-cutting theme of corruption, aiming to control mismanagement and abuse at each stage of implementation. If the plan is approved, coordinating its implementation will be a central focus of post's democratic reform activities.
- 19. (C) In October, Ambassador called a meeting of heads of donor missions to discuss the adverse effects of corruption on development efforts in Yemen. Participants included ambassadors from the British, German, and Dutch embassies. The group agreed to develop a shared reform agenda in the area of governance, to be guided by MCC and World Bank indicators. A U.S. and British-led working group will develop these objectives, pairing technical programs in the field with strong political messages on good governance at the top. The ambassadorial group is scheduled to meet for a second time in the next quarter.
- 110. (C) A multi-donor group for Public Finance Management Reform, in which post is a key member, successfully worked with the ROYG on passage of a reform strategy in the Cabinet. Post has the lead on mapping existing donor activities, and a World Bank consultant, funded by the British, is creating an action plan to determine what donor support is needed to encourage transparency of ROYG financial management. A major component of the plan is reform of government procurement practices, which post will consider funding in the next quarter. Post will also consider additional anti-corruption programs as part of 2005 DG initiatives from USAID.

Rule of Law

- 11. (C) The central feature of the ROYG'S MCC Threshold plan, supported by the Embassy, is the restructuring of the judiciary. Authority to appoint, fire, and discipline judges will be removed from the President's office and vested in an independent council of legal professionals. With the Threshold plan, the ROYG aims to raise the level of integrity on the bench, ensuring that Yemen's judges are qualified and experienced enough to adjudicate fairly the cases that come before them.
- 112. (C) To achieve the stated milestone in adherence to due process, post issued a MEPI small grant to the Democracy School to train law students in the principle of human rights. USAID will also provide USD 85,000 for three small grants, in cooperation with the Ministry of Human Rights and UNDP, to support "women in justice". The small grants aim to raise awareness among Yemeni women of their rights under the law, and to increase the role of women as judges and lawyers. Post will continue to work with MEPI in an effort to bring representatives of ABA-CEELI to Yemen, with the goal of implementing recommendations from a 2005 assessment mission.

Expanding Government Accountability

113. (C) NDI's MEPI-funded program in "Strengthening Parliamentary Institutions" produced significant results in last quarter's Parliamentary session. (Ref D) The legislature challenged the ROYG on a number of high profile corruption cases, and demanded more oversight authority over the budget. For the first time in its history, Parliament exercised its constitutional authority to summon ministers for questioning and to draft legislation. Many of the most active MPs

received training at NDI's parliamentary resource center, and met in NDI-sponsored issue groups.

114. (C) In September, President Saleh made a surprise announcement that the ROYG would allow for the direct election of regional governors and district managers in 2007. This is a positive sign in keeping with post's support of decentralized government. The President also called for increased funding and responsibilities for local councils. The Ministry of Finance has stonewalled all attempts to date at fiscal decentralization, with sector budgets for ministries such as health and education remaining under central control. The President's public position has created renewed pressure on the ROYG to empower local government. In the next quarter, post will review UNDP's findings on fiscal decentralization and determine next steps to encourage the ROYG to fulfill its commitments on decentralization.